

RULES AND REGULATIONS

SPECIFIC LABEL
WITH RANGE

Based on the results of tests conducted or certified by the U.S. ENVIRONMENTAL PROTECTION AGENCY, the typical gas mileage of this car is estimated to be:



Federal Energy
Administration

Vehicle: Ajax, 8 cylinder, 300 cubic inch displacement, 2 barrel carburetor, automatic transmission, catalyst equipped, 4,000 pounds test weight, 3.02 axle ratio.

10 MILES PER GALLON FOR CITY DRIVING
16 MILES PER GALLON FOR HIGHWAY DRIVING
AND
12 MILES PER GALLON FOR COMBINED CITY AND
HIGHWAY DRIVING

THESE FUEL ECONOMY NUMBERS ARE FROM TESTS OF THIS VEHICLE
CONFIGURATION AND MAY NOT BE IN THE EPA/FEA BUYER'S GUIDE.

As of September 17, 1976, the combined city and highway fuel economy for other large vehicles ranged from 8 to 20 miles per gallon. The range on this label is based upon average fuel economy results, and does not reflect the range of tests of specific vehicle configurations.

Based on \$ 0.65 per gallon, 15,000 miles driven per year, and an average combined fuel economy of 12 miles per gallon, the estimated annual fuel cost for this vehicle is \$812.

These estimates are based on tests of vehicles equipped with frequently purchased optional equipment.

Reminder: The actual fuel economy of this car will vary depending on the type of driving you do, your driving habits, how well you maintain your vehicle, optional equipment installed and used, and road and weather conditions.

To compare the fuel economy of this car with other 1977 cars, and to learn how the tests were conducted, ask your dealer for a free copy of the EPA/FEA 1977 Gas Mileage Guide.

[FR Doc.76-33096 Filed 11-9-76;8:45 am]

federal register

WEDNESDAY, NOVEMBER 10, 1976



PART VI:

**DEPARTMENT OF
HEALTH,
EDUCATION, AND
WELFARE**

Office of the Secretary



CITIZEN PARTICIPATION

Request for Public Comments

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of the Secretary

CITIZEN PARTICIPATION

Request for Public Comment

DEAR CITIZEN: I appointed a Department Task Force on Citizen Participation and charged it with the responsibility of identifying additional ways to open the Department to a greater degree of effective public interaction and citizen involvement. The Task Force has developed a Report which I wish to share with you. I would appreciate your views and recommendations on its work, especially the suggested Opportunities for Reform. I am also interested in your reactions to the following general questions and issues:

1. What reactions, comments, or criticisms do you have on the Opportunities for Reform suggested by the Task Force in its Report? If any or all of these opportunities were available, which ones would you use?

2. Do you see other opportunities not mentioned in the Report? What are they? What do you need from us to enable you to better participate in our decision-making processes?

3. What are your reactions to the findings and goal of the Task Force? What have they overlooked?

4. Currently HEW does not have an articulated policy on citizen participation. Would a published policy statement derived from the debate generated by the Task Force Report be helpful to you in your efforts to interact effectively with the Department?

5. To what extent would you support increased citizen participation if you knew it would increase the costs and timing of HEW decisions and programs?

6. The Department has been holding a number of public hearings, town meetings and public sessions across the country to discuss various issues. Are you aware of HEW's efforts in this regard? If so, do you feel public meetings are effective ways to solicit the public's views

and opinions? If you have participated in any of these meetings, what have been your experiences? Do you have any suggestions for other techniques we could be using?

7. How would you suggest we evaluate the success of our own increased citizen participation efforts?

If you wish to receive a copy of the Report or to submit comments or suggestions on the matters raised in this Request for Public Comment, please write, on or before December 25, 1976, to:

HEW Task Force on Citizen Participation,
Department of Health, Education, and
Welfare, P.O. Box 1123, Washington, D.C.
20013.

You may submit comments and information in any form, such as letters, position papers, or memoranda. I assure you that all comments received will be carefully considered and will be responded to. Comments received in response to this Request for Public Comment will be available for public inspection at the following address:

Office of the Special Assistant to the Secretary for External Affairs, Room 631F, South Portal Building, Department of Health, Education, and Welfare, 200 Independence Avenue, S.W., Washington, D.C. 20201.

While we welcome your thoughts at any time, those on this subject will be most helpful if we receive them before December 25, 1976.

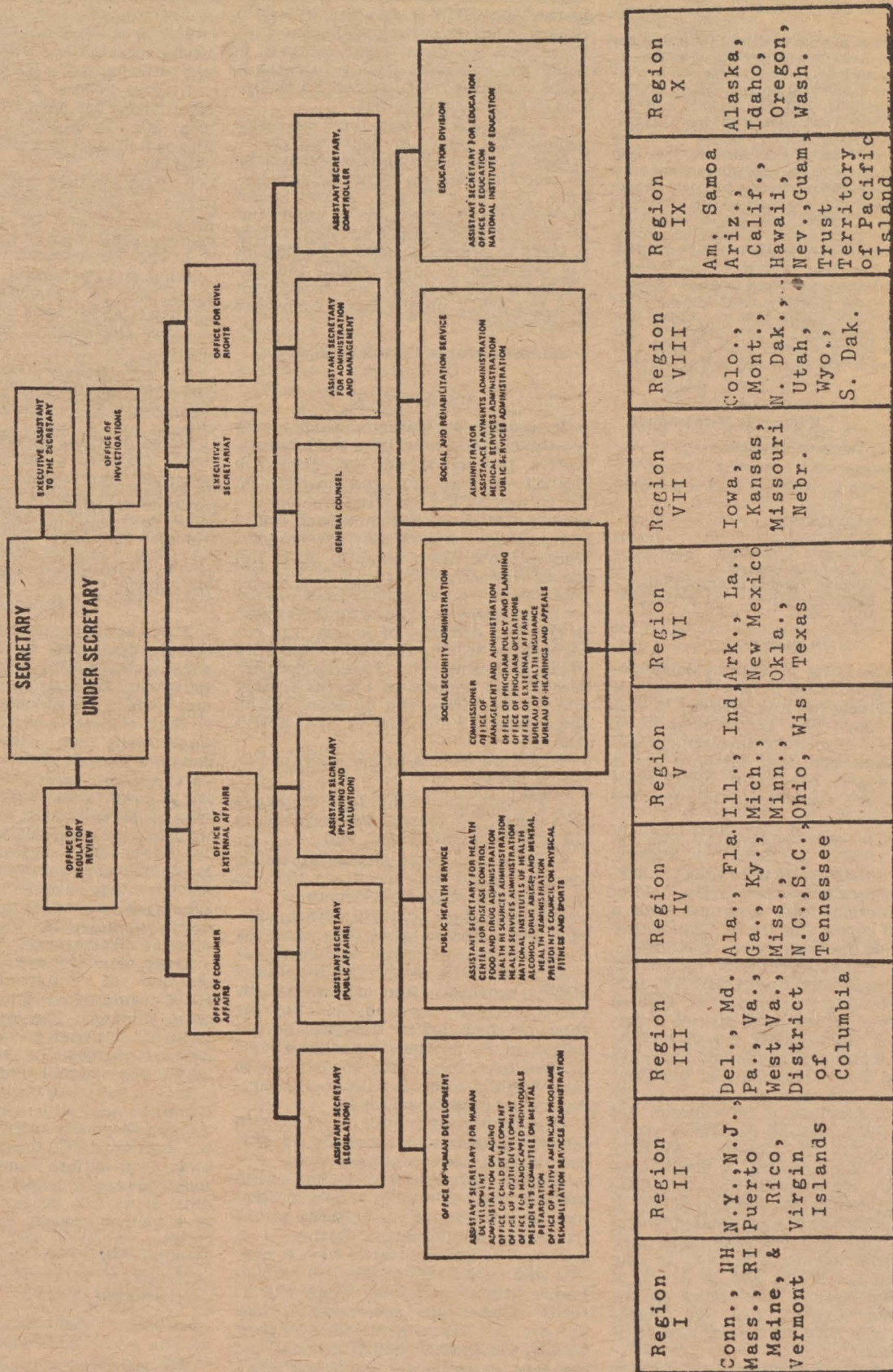
We intend to publish a second "Notice to the Public" based on the comments we receive as a result of this Request. That second Notice will contain the final recommendations of the Citizen Participation Task Force.

In addition to studying written comments from the public, the Task Force on Citizen Participation will hold meetings with interested citizens and organizations. Individuals who desire to participate in such meetings should advise the Task Force.

Dated: November 8, 1976.

DAVID MATHEWS,
Secretary.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE



If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons alike share in the government to the utmost.

—ARISTOTLE.

I think that if we are willing to reform the world, and make it a better place to live in, the way to do it is not with talk about relationships of a political nature, which are inevitably dualistic, full of subjects and objects and their relationship to one another; or with programs full of things for other people to do. I think that kind of approach starts it at the end and presumes the end is the beginning. Programs of a political nature are important end products of social quality that can be effective only if the underlying structure of social values is right. The social values are right only if the individual values are right. The place to improve the world is first in one's own heart and head and hands, and then work outward from there. Other people can talk about how to expand the destiny of mankind. I just want to talk about how to fix a motorcycle. I think that what I have to say has more lasting value.

ROBERT M. PIRSIG
in *Zen and the Art of
Motorcycle Maintenance.*

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I. BACKGROUND

The Task Force on Citizen Participation was established by the Secretary of Health, Education, and Welfare to seek ways to open the Department to a greater degree of citizen involvement and public interaction. It is our hope that a greater degree of citizen involvement will help the Department improve the quality of its service.

The Task Force has reviewed past and present citizen participation studies; books and writings on the subject; interviewed recognized experts in the field of citizen participation; and met with a variety of people and groups, both within and outside the Department. In addition, the Task Force has reviewed the Report of the Third Committee HABITAT, 1976 United Nations Conference on Human Settlements, which pays special attention to the responsibility of governments to achieve public participation. We have examined the implications of the Government in the Sunshine Act (P.L. 94-409), The Freedom of Information Act (P.L. 93-502), and the Federal Advisory Committee Act (P.L. 92-463). We have benefitted from reading a preliminary draft of the recent evaluation study done by the Lyndon Baines Johnson School of Public Administration on public involvement in Title XX. We have taken note of the Department's obligation to help implement the World Plan of Action of the United Nations Conference on International Women's Year. We considered the new HEW Consumer Representation Plan.

All of these and additional efforts have helped us to understand that citizen participation activity today seems to be

"bubbling up" all around us—a force whose time has come again. We have also learned that HEW is not a neophyte with respect to citizen participation. The Task Force feels the Department, however, is ready for and most willing to make a fuller commitment to citizen participation as a continuing activity.

It is in this spirit that the Task Force submits this Report for consideration.

Clearly, the next step is to solicit public recommendations regarding this Report. The Task Force's Report is not meant to resolve the issues or imply that all of the reforms can be adopted; rather it seeks to provide a helpful framework for exchange of ideas within the Department and between the Department and the public on the issues addressed in the Report.

II. ASSUMPTIONS, FINDINGS, GOAL AND OBJECTIVES

A. ASSUMPTIONS

To a society such as ours, which is rich in ethnicity and pluralism, the administrative process within the Executive Branch offers an important mechanism for furthering the opportunities for citizens to participate in government. Looking back over the recent past it seems that we have often failed to make full use of the tremendous potential of the participatory aspect of our form of government, because, along with the growth in size and diversity of society, the bureaucracies serving the public also grew in size and complexity. This has contributed to the removal of citizens further and further from the decisions which deeply affect the quality of their everyday life.

Therefore, it remains the government's obligation to:

1. Provide procedures and structures that ensure the citizen's participation in the governmental system; and
2. Inform citizens (including public officials) about and encourage them to use those procedures and structures.

It is important to begin with a common perception of what it is the Task Force means by "citizen participation."

All people who receive the benefits of HEW's programs, who are affected by those programs, or who help pay for them are included in the Task Force's definition of "citizen." "Participation," as used here, means the opportunity to meaningfully interact with the Department in its decision-making.

In order to meaningfully interact with decision-makers it is necessary for citizens to have timely information.

"Citizen participation" is not necessarily or best achieved by simply increasing the numbers of participants or the frequency of interaction. Rather, it is necessary to find innovative ways to nurture and support more effective participation without overly burdening the already cumbersome governmental machinery. The Department should be open, willing, and flexible enough to utilize and test new approaches to achieving interaction with the public. However, it is

often not necessary to replace existing political, policy and program processes, but rather to recognize that they can be improved upon.

The Task Force has agreed on the following assumptions with respect to citizen participation in HEW:

1. Open Federal administrative processes which are designed for citizen access and involvement are legitimate means for improving citizen-government relations.
2. Participation, representation and access to governmental institutions are goals which should be preserved and enhanced at all levels of government.
3. The Department, in its decision-making and operations, should continuously seek to stimulate an active exchange of ideas about the responsibilities of this Department to the public it serves.
4. HEW personnel should regard citizen participation as an integral part of the Department's decision-making process.

Based on these assumptions the Task Force designed a series of tasks, work schedules, and meetings to review the legislative mandates for citizen participation in HEW programs, to examine the past and present strategies used by the Department for citizen participation, and to analyze the present processes and procedures.

a. Mandates

There are approximately 90 major and diverse programs in the Department which call for some form of citizen participation. By far the most frequently mandated form of citizen participation is that of state and/or local Advisory Committees, or Governing and/or Advisory Boards. Other forms of mandated citizen participation include: the use of paraprofessionals; the use of non-paid or partially paid volunteers; parent involvement mechanisms; the use of the target population in the decisions of the local program; requirements that state agencies take citizens' views into consideration in developing policy and to document how that was done; and required public hearings.

These mandates are a result of a combination of Congressional direction, HEW regulatory decision, or HEW program guidance. The overwhelming majority of the citizen participation requirements stem from the Department's regulations or program guidances.

It is in the more recent years that the Congress and the Department have moved toward a broader approach to citizen participation; that is, a movement away from citizen councils and boards solely toward inclusion of "taking citizens' views into account" in the policy development process. But it is the rare statute, regulation, or program guidance memorandum that approaches citizen participation in a creative, flexible, and decentralized manner.

b. Citizen Participation Strategies and Techniques

The Department uses some basic citizen participation strategies: (1) solicit-

ing citizen views, (2) disseminating information to the public, (3) dealing with advocacy and consumer complaints, and (4) training and educating our staff to work with the public. Various techniques are used:

(1) Soliciting Citizen Views

Advisory boards and councils are the most universally used technique. These advisory groups are found at all levels of government. Increasingly, advisory groups at the state or local level have been mandated either by statute or regulation. However, existing advisory groups vary greatly in terms of size, diversity of representation, scope of concern, and authority.

Meetings (including workshops and conferences) are widely used. However, most of these meetings are not conducted on a routinely scheduled basis. Consequently, the ad hoc nature of most such meetings, and their location in Washington, D.C. and other major metropolitan areas dictate that representation involves mostly national special interest and professional associations and organizations.

Public forums are generally conducted to solicit citizen input regarding proposed regulations and service plans, and major program initiatives. They are less frequently conducted to solicit views regarding long-term planning and policy issues, evaluation, and program operation.

Surveys and program studies are conducted as a means of assessing client satisfaction and evaluating service-delivery effectiveness. Generally, such surveys and studies are conducted either by professional contractors or agency staff.

Use of paraprofessionals is mandated in the legislation or regulations for many programs. Such paraprofessionals, as members of the recipient community, are included on local program staffs as part of a strategy for obtaining recipient involvement in the day-to-day operation and planning of the programs. Some of the programs with a mandate to use paraprofessionals include Headstart, Family Planning, Community Mental Health Centers, Urban Rat Control, Drop-out Prevention, and Follow Through.

Volunteer Development—The Office of Volunteer Development has been working across the entire Department, through a team of volunteer Development Coordinators, to interpret voluntary resources, and to incorporate the effective participation of volunteers into program development and delivery system. Many of the HEW programs do depend on volunteers, and many agencies have recently initiated several creative efforts in this area.

(2) Disseminating Information

Publication of proposed regulations in Federal Register for comment—All HEW agencies publish proposed regulations for public review and comment, followed by publication of the final regulations. Many Agencies also mail copies of proposed regulations to a variety of individuals and advocacy, professional, and special interest groups.

Agency-prepared publications include routinely published magazines, newsletters, handbooks, pamphlets, and flyers.

Media—Several agencies make heavy use of electronic and print media.

Meetings—Some agencies disseminate information through public meetings, in which newly enacted legislation or final regulations are described in detail to persons (generally professionals) affected by them. Meetings are also used as vehicles for the provision of training and technical assistance.

Other techniques which are used for information dissemination include: (1) multimedia information campaigns on some issues of special urgency (e.g., new social security benefits, swine flu inoculation); (2) public forums; and (3) provision of HEW speakers through various Speakers' Bureaus.

(3) Dealing with advocacy and consumer complaints

Techniques vary within the Department. The 1976 HEW Consumer Representation Plan recognizes the need for greater use and coordination of such techniques among agencies.

(4) Training and educating HEW staff

Efforts are underway to help personnel—either through special training programs or through experiential learning—to be more aware of, sensitive to, and responsive to the general public.

C. Present Processes and Procedures

The foregoing review led the Task Force to conclude that the most legitimate area for examination, and the one offering the greatest promise for increased meaningful citizen participation, is the policy processes of the Department: policy forward planning, legislation and budget formulation, regulations development, implementation planning, program planning and delivery, evaluation, and audit. The Task Force has analyzed these processes and has identified the key decision points in them.

B. FINDINGS

The Task Force has found that HEW efforts to seek citizen involvement have been informal and sporadic. Furthermore, citizen involvement has been used as an adjunct to, rather than an integral part of, the Department's decision-making. In addition, there is little on-going evaluation of citizen participation activities.

Past studies, such as the HEW-commissioned 1973 Rand Study on Citizen Organizations and the HEW Region X 1976 management planning study *The Ties that Bind*, as well as our own findings, specifically point to the failure of HEW to adopt any overall citizen participation policy.

C. GOAL AND OBJECTIVES

The Task Force suggests the adoption of a broad citizen participation goal and a set of objectives for the Department. The proposed goal is:

The Department, in the performance of its responsibilities, will seek to become more sensitive and responsive to citizens. It will actively provide broad opportuni-

ties for citizen participation in its processes and procedures before decisions are made, and will carefully consider the public's views.

The Task Force suggests the following objectives in support of this goal:

The Department shall encourage and adopt open processes and procedures wherever major policy decisions are being developed, as well as open meetings for public review of plans and programs.

Regional Offices shall seek to involve all segments of the population in the Department's activities, and to develop a variety of opportunities and techniques for on-going and meaningful exchange with the public.

The Department shall pursue every reasonable and practical opportunity to transmit and disseminate pertinent information, in the appropriate language, to the broadest possible audience throughout the country.

III. OPPORTUNITIES FOR REFORM

The Task Force looked at the decision points in the Department's major processes and believes that these decision points offer the greatest potential for citizen participation in the Department. Thus, the following "opportunities for reform." They are possibilities for consideration, not all of which may be implemented. Others may be added, and some deleted, as we become aware of citizen reaction to them. They form an initial set of ideas around which a meaningful dialogue can begin.

A. SPECIFIC TARGETS OF OPPORTUNITIES

Policy Forward Planning is the effort of the Department which encompasses legislation, budget and policy formulation. The Task Force recognizes the interdependence among these three processes, both in terms of substance and timing. Therefore, the specific decision points in each and the proposed opportunities for reform have been combined.

1. Early Policy Forward Planning—Regional Involvement

Present Practice:

Each March or April, the Secretary issues guidance to the Department (called the Secretary's Planning Guidance Memorandum) concerning issues and priorities the Secretary believes are important in the development of the Department's budget (to be submitted to the President in November and to the Congress in January), legislation and policies. Staff work defining issues of concern across the country and analyses which will need to be done begins in the preceding October or November. (For example, in October 1976 this "issue identification" began for the March 1977 Planning Guidance Memorandum, which will guide planning for the November 1977 submission to the President, to become part of the President's Budget presented to the Congress in January 1978 for the Fiscal Year beginning October 1978 (Fiscal Year 1979)).

During "issue identification" the Department's ten Regional offices identify, develop and submit to Headquarters analyses of issues of concern in their

particular geographic areas. For each program topic there is a "Lead" Regional Director responsible for compiling, synthesizing and drafting issue papers on major concerns of all ten HEW Regions and submitting a composite paper to the Washington Headquarters for use in strategy meetings in the development of the Planning Guidance Memorandum. The procedures used by the Regional Directors, the kinds of information gathered, and the determination of contributors to the issue analyses vary from region to region, and are often marked by informality.

Opportunity for Reform:

In determining which issues should be reported to Headquarters, the Regional Directors should make liberal use of open meetings and hearings to obtain an assortment of views, both supporting and contrasting, on the issues. Techniques such as, but not limited to, the following should be used to the maximum feasible extent: town meetings, use of local and state media, communication through community and state citizen organizations, and meetings. The techniques employed and views expressed should be documented in the Regional Directors' issues discussion submitted to Headquarters. Regional Directors should send copies of their reports to Department staff with relevant responsibilities, and the Lead Regional Director should "follow up" on any issue which has been identified, with the assistance of the Office of the Assistant Secretary for Planning and Evaluation.

2. Early Policy Forward Planning—Headquarters

Present Practice:

From December through February, the Office of the Assistant Secretary for Planning and Evaluation works very informally with Agency Heads and staff to develop a compilation of those concerns which Headquarters' staff believes to be of importance for the Secretary and Department to address in the Planning Guidance Memorandum and forward planning for the upcoming three years.

Opportunities for Reform:

Both Agency staff and the Office of the Assistant Secretary for Planning and Evaluation should systematically conduct meetings and seminars with citizens and citizen groups and solicit input from academics, futurists, and others to gather information regarding important issues likely to arise, and to obtain feedback on previously identified issues. These efforts should relate to legislation, budget and analytic issues, and should take place before final drafting of the Planning Guidance Memorandum for the Secretary.

The Secretary's guidance calls for a considerable number of specific policy analyses. Offices conducting policy analysis should invite citizen input where possible. The Guidance Memorandum should specify those issues where a major

effort to solicit such external involvement should be undertaken.

3. Early Policy Forward Planning—Reviewing the Guidance Memorandum

Present Practice:

In the period January–March, Agency Heads and Regional Directors are closely involved with the Office of the Assistant Secretary for Planning and Evaluation staff (via meetings, papers and informal discussions) in the development of the issues which will be suggested to the Secretary for inclusion in the Planning Guidance Memorandum.

Opportunities for Reform:

It should be standard procedure for the draft of the Planning Guidance Memorandum to be distributed widely among the Department staff who have been meeting with outside groups so they can review the document for the extent to which it reflects external priorities and concerns.

Background information and documentation as to important issues and concerns, generated by outside groups, could be included with the draft to clarify the external perspectives.

The Office of Regional Liaison (in the Washington Headquarters) should put together a "team" of regional representatives who reside in Washington for the period during which the Planning Guidance Memorandum development is proceeding. The team would be made up of people who, as a result of their early regional involvement and assessment, were knowledgeable in the issues presented by the Regions. They would attend Headquarters' meetings and discussions, serving to ensure that public views expressed at hearings and meetings in the Regions are represented in the Secretary's Planning Guidance.

4. The Secretary's Planning Guidance Memorandum

Present Practice:

In late March or early April, the Secretary issues the Planning Guidance Memorandum to Agency Heads for their use in developing their Forward Plans, legislative programs, and proposals.

Opportunity for Reform:

The Secretary should have an opportunity to conduct a public forum or forums on the decisions about to be made, attempting personally to obtain any divergent or additional views.

5. Development of Agency Forward Plans

Present Practice:

As a result of the informal meetings in January–March and the more formal directives of the Planning Guidance Memorandum in March–April the Agencies develop their own "Forward Plans," stating their directions, priorities and plans for the upcoming year and outlining more general directions and principles for the subsequent two to four years. In May–June the process ends when the Agencies' Forward Plans are

transmitted to the Secretary and form the basis for meetings with staff.

Opportunity for Reform:

Agency staff should seek broad external perspectives in putting together Forward Plans, using techniques similar to those identified above for Regional Directors (meetings, hearings, media, etc.). External involvement (including contrasting views, where expressed) should be significantly documented in the Forward Plan itself.

6. Department Review of Forward Plans

Present Practice:

In May or June review sessions are held by the Department on the Forward Plans as submitted by the Agency Heads. Over a two to three week period approximately 10 to 15 meetings take place with the Secretary and staff members with responsibilities relating to the basic topics within the plans. The purpose for the review sessions is to raise and discuss the major issues in the Forward Plans. The Secretary's specific budget and legislative guidance (looking toward the November submission to the President) flow from the information gathered in these meetings.

Opportunity for Reform:

Forward Plans should be reproduced in their final form, and widely distributed for public comment. This should be done as quickly and early as possible, so as to allow for some public feedback prior to the Secretary's final decisions.

7. Budget and Legislation Development

The Federal Fiscal Year now runs from October 1 through September 30; for example, Fiscal Year 1977 began on October 1, 1976, and will run through September 30, 1977. The President proposes to the Congress his budget and legislative program for the upcoming fiscal year in January, nine months preceding that fiscal year's beginning (e.g., in January 1977, for FY 1978, which will begin on October 1, 1977). The Department generates its recommendations in the June–November period preceding the President's January submission to Congress. (In the example above, the Department generated its recommendations in June–November 1976 for the fiscal year beginning October 1, 1977 (FY 1978).)

Present Practice:

The Planning Guidance Memorandum's priorities and policies, and the Agencies' Forward Plans, have direct influence on the budget and legislative program as they are developed. As discussed earlier, between January and March the Regional Directors are developing issues for policy legislation, and budget discussions, and Regional Directors, Office of the Secretary, and Agency staffs meet to identify those issues which require specific budget discussions. In April the Agencies prepare analyses of new initiatives which require budget and legislative action, and in June the Comptroller and Planning staffs present an overview of available resources. In June and early

July the Agency Heads submit their budget requests and legislative proposals to the Secretary, and the Secretary holds review sessions with them prior to issuing budget and legislative guidance to the Agencies in July.

Agencies must then develop their budgets and legislative proposals and return to the Secretary with any appeals they may have.

The Department has five legislative teams, within the Office of the Secretary, organized to review, analyze and make recommendations to the Secretary on legislative proposals offered by the Agencies, Regional Directors or any other interested parties. These teams cover the topics of Health, Education, Income Security, Social Services/Human Development, and Civil Rights. Proposals are generally handled for (1) extensions of expiring laws, (2) substantive or technical improvements, (3) new program proposals. Appropriate Agency staff are members of their respective teams.

Opportunities for Reform:

The budget process is very swift moving and complicated. Therefore, it does not seem possible to impose formal procedures here, as the pace is extraordinarily hectic and the deadlines are external to the Department and quite real. Nevertheless, the entire process can be conducted more openly than has historically been the case. Clearly, the connection between the budget and legislation planning processes provides major opportunities for discussion with the public regarding comparative resource allocation, priorities, and policies that will be reflected in the Department's legislation and budget. Outside experts of renown in specific areas and representative groups and organizations should be solicited for their sense of priorities, "real-world" imperatives, and potential impacts of contemplated proposals upon providers and recipients.

The Department has recently begun to take steps in this area and the Task Force is simply suggesting expansion of that effort to the point where the standard procedure would be that the issues the Department is considering should be reviewed with citizens and their views obtained on budget and legislative priorities. The burden of proof should be on HEW staff to justify the exclusion of citizen involvement at any given decision point.

The Task Force believes these open discussions about comparative legislative and budget priorities should apply equally to Agencies, Regions, and Secretarial review.

When Regional Directors are beginning to solicit external views in October-November, they should focus regional and citizen dialogue in meetings and hearings on those specific programs which are expiring.

The "Lead" Regional Directors should bring with them, to the Legislative Team meetings, the information and documentation from the town meetings during the teams' work for their consideration in

analyzing legislative issues. The "Lead" Regional Director should be responsible for compiling this information and discussing it with the legislative teams. The Planning staff should develop procedures for the legislative teams to systematically receive external views during their deliberations.

Information on contemplated important legislative proposals should be made available to the public, and reaction requested, if this has not already been done earlier.

A systematic follow-up to Congressional hearings should be established to review and analyze public testimony for potential redraft of HEW's legislative recommendations.

8. Budget and Legislation Dissemination *Present Practice:*

When the President sends his budget proposal and message to Congress in January, which also identifies his legislative proposals, there is a press conference held by the Department, followed by open briefings on particular subjects for the press and interested groups and organizations.

Opportunities for Reform:

An explanation of the Department's Budget Proposal—written so that constituents and citizens without in-depth program training can comprehend the major points—should be written and disseminated broadly.

The press conference and briefings should be open to the general public and their existence should be announced in a meaningful way beforehand.

Regional Directors and the Regional Commissioners should be fully briefed on the new budget, and they should then conduct in-depth briefings for citizens and interest groups in each of their regions.

9. Issuance of Regulations

The Department has recently undergone a major reform of the entire policies and procedures governing the issuance of all HEW regulations. This reform has been designed to open the decision points in the regulations process to significantly greater opportunities for public involvement.

Because this reform is so all-encompassing, the Task Force on Citizen Participation has chosen not to examine the regulations process in the context of its work at this time. The Task Force recognizes its responsibility, however, to work with all appropriate elements of the Department to help guarantee that the reforms become real.

The Secretary's memorandum to the Department stating the regulations reform follows this Report.

10. Implementation Planning

Present Practice:

Implementation planning is the establishment of a strategy and detailed plan necessary to carry out a program. Presently, the Department generates 3-5 year long-term plans. Also, short-range,

one year implementation plans are developed by the Operational Planning staff of the agency. Guidance for implementation is included in the Planning Guidance Memorandum and the specific plans may be requested by staff in the Office of the Secretary. Generally, major Agency implementation plans are reviewed and "cleared" by Office of the Secretary staff year round, and their timing is basically controlled by when the program was enacted. Where an issue is considered of major importance to the Secretary, it is tracked and monitored as a Secretarial objective within the Department's management-by-objective system run by the Office of the Assistant Secretary for Administration and Management.

Opportunities for Reform:

When the Agency develops its implementation plan for a particular program it should attempt to include a broad perspective from outside citizens, constituent groups and other impacted agencies and state and local governments, and should document this effort in the plan itself. (In order to achieve this, it may be necessary to allow a month's "fact-finding" time in the implementation planning cycle.)

Agency Implementation Plans should be disseminated to a broad audience, particularly those who will be impacted by the plan, are identified in the plan, or took part in developing the plan. If changes are made subsequent to distribution, announcement should be made clearly identifying the changes and their significance.

11. Program Planning and Policy Development

Present Practice:

Although the program policy process varies among Agencies, the general practice is for the Agency program staff to complete an assessment of need through interaction with clients and subject experts when the program is enacted by the Congress. Objectives and priorities are set and a delivery strategy is mapped out. The final step is to allocate the dollar and staff resources according to priorities. The process is informal and there is minimal public involvement.

In some programs, principally project grants, HEW has considerable flexibility in setting policies and resource allocation priorities. In others, principally the formula grants to State and local governments, policy and resource allocation priorities are limited for HEW.

Opportunities for Reform:

During the needs assessment, the Agency should insure greater involvement not only of clients but also of other interested or impacted groups and agencies through more systematic and extensive canvassing procedures, such as hearings, surveys, and meetings. Public involvement should also be sought during the determination of program objectives and priorities.

The greater opportunity for public involvement is after the work plan has been completed. The Agency should pro-

vide opportunities to receive public recommendations and be prepared to make appropriate modifications. Periodic review and evaluation by citizen/staff teams should be conducted regularly.

12. Program Delivery

The HEW Task Force on Citizen Participation looked at several (not all) HEW programs in an attempt to determine in as generic a sense as possible, the decision points at the State and local level.

The Task Force's purpose in identifying the decision-making process at the State and local level in HEW programs was three-fold:

1. to become more aware of the State and local processes by which our Department's programs are delivered;
2. to actually identify, in a step-by-step approach, the programmatic decisions to be made; and
3. to analyze the "opportunities for reform" in achieving greater citizen participation in those decisions.

Subsequent to the Task Force's identification of State and local decision steps, the Task Force recognized that many of its concerns are to be addressed over the next several months in the implementation of an extensive study entitled "Ties that bind . . .", an HEW National Management Planning Study—1976. This Study examines the array of Federal mandates regarding State and local management of human service programs and the "overlay of planning programs," with the goal of simplifying, rationalizing, and strengthening inter-governmental relationships and partnerships.

The HEW Task Force on Citizen Participation has decided to share its products in the program delivery area with the various HEW study groups now working on the implementation of "Ties that bind . . ." and will cooperate in all possible ways to ensure a review by all appropriate parties of the Task Force's concerns that:

1. the HEW responsibility for citizen participation in the Department's programs does not stop with the immediate Department; but that
2. State and local governments should have the greatest flexibility in determining how to achieve citizen involvement.

13. Evaluation

Present Practice:

The Planning Guidance Memorandum includes guidance to Agencies for evaluation strategy and plans, in response to which Agencies generate evaluation plans to guide the upcoming year's evaluation projects.

Evaluation is decentralized in the Department and is quite diverse. Each Agency and Region, however, does produce an evaluation plan, which is circulated within the Department for review and comment. Agencies and Regions also solicit some expert views on their evaluation planning as to what should be evaluated. During the conduct of evaluations, clients and citizens are sometimes asked their opinions regarding the activity be-

ing evaluated, although this is not yet done on a systematic basis. The Assistant Secretary for Planning and Evaluation has recently issued guidance to make this more systematic, however.

Opportunities for Reform:

Procedures should be established by which Regional Directors and Agency Heads review public input as to what priority areas or activities ought to be evaluated. This external involvement should be documented in the plans themselves.

Greater emphasis should be made to get citizen views, especially minority and certain target groups, as to evaluations being conducted, perhaps to the inclusion of citizen surveys. The Assistant Secretary for Planning and Evaluation should develop further such procedures.

14. Evaluation Dissemination

Present Practice:

There is presently little formal provision for dissemination of an Agency's evaluation plan. Results of the evaluations are disseminated informally by the office that contracted for the evaluation. Work has begun on cataloging a computerized Master List of all Department evaluation plans in progress as well as a digest of completed evaluations.

Opportunities for reform:

Upon completion of the computerized catalog, broad public announcement should be made concerning the availability of this list.

There are ever-increasing numbers of organizations and individuals, and other Federal agencies, seeking information and data analysis on program results—failures and successes. The Office of the Assistant Secretary for Planning and Evaluation should work with Agencies and Regional Directors to improve procedures for broad and thorough dissemination of evaluation to outside groups, as well as to other Federal and to State and local agencies.

15. Audit

Present Practice:

The Director of Audit Agency reports directly to the Comptroller and has authority to go directly to the Secretary of the Department of Health, Education, and Welfare, when it is necessary.

Auditing is the process used to assure that Department funds are properly spent and that programs are administered in an efficient and effective manner.

The programs to be audited are determined by the age of the program, sensitivity of the topic, mandated requests, significant problems, fiscal considerations, and when the program was last audited. The Agency compiles an annual work plan which is subject to frequent revisions during the year. The annual work plan is distributed to all Principal Operating Components and other interested HEW officials. Approximately 5,000 reports a year are issued covering a wide variety of subjects.

The Audit Agency releases final reports to the public upon request. There

are also periodic reports generated from computer-based audit information systems for control and monitoring of all audit actions.

The Audit Agency issues final reports to the following:

1. All Agencies participating in a program.
2. Those persons requesting a report.

Opportunities for Reform:

The Task Force suggests that the Audit Agency publish annually a public statement detailing how a citizen can obtain access to final audit reports.

The Regional Auditors are responsible for a large portion of the information funneling into the Washington Audit Agency. The Citizen Participation Task Force suggests that Regional Auditors conduct public meetings to gather the public's views and opinions to provide additional information on programs which may require review. This public perspective should be documented by a report to the Washington Audit Agency.

16. Inspector General

New Practice:

A new law (P.L. 94-505) establishes an Inspector General for the Department of Health, Education, and Welfare, transferring the audit function from the Comptroller to the Inspector General. The Inspector General's role will be to determine fraud, inefficiency and waste in the Department, much as the Audit Agency has operated in the past.

The Inspector General has authority to report directly to Congress and the Secretary when he or she deems it necessary, and the Inspector General is required to file:

1. An annual report to Congress and the Secretary
2. Quarterly reports to Congress and the Secretary
3. A report of major problems to the Secretary, and the same report immediately to Congress seven days later.

Opportunity for Reform:

In addition to the reform suggested in the previous section on the Audit Agency, the Task Force suggests that the new Inspector General consider making public the annual and quarterly reports.

B. BROAD TARGETS OF OPPORTUNITY

The preceding discussion has focused on key decision points in the Department's processes, and on specific targets for reform. There are, however, broad opportunities for reform which the Citizen Participation Task Force proposes for discussion to further the goal and objectives of citizen participation in HEW.

1. Annual Report

The Task Force suggests development of an Annual Report on the state of HEW. A comprehensive, timely report to annually summarize HEW programs, its successes, and its failure in meeting goals; and an itemization of policy goals of the Department for the forthcoming years would assist in generating public

dialogue and discussion about HEW policies.

2. Ongoing Locus of Citizen Participation Responsibility

The Task Force believes some consideration is warranted relative to the organizational implications of continuing citizen participation activity at the Department-wide level, particularly if a centralized policy is developed. As a general matter, responsibility for citizen participation could be:

- a. Assigned to an existing office in the Office of the Secretary;
- b. Assigned to a new office created explicitly for that purpose, also in the Office of the Secretary;
- c. Assigned to an independent Committee or Task Force reporting directly to the Secretary or Under Secretary; or
- d. Decentralized to the Principal Operating Components and Agencies, as their responsibility, with no overall Office of the Secretary review beyond normal policy interactions.

It should be understood that the Task Force would certainly recommend, under any of these alternatives, that elements of the Department be charged with continuous citizen participation responsibility in their daily operations; option (d) above is exclusive of the others only in that it would accompany ongoing Agency responsibility with no explicit central oversight.

The obvious advantages accompanying the assignment of citizen participation to an office within the Office of the Secretary, whether new or existing, are the visibility this would afford the Department's efforts, as an overall initiative, and the ability the Secretary and his staff would have to prompt broader uses of citizen participation and coordinate them across Agencies. If a new office were created, the present coordination problems among citizen participation, Consumer Representation Plans, Volunteer efforts and other considerations of Public and External Affairs might well be compounded, unless some distinct lines of responsibility were drawn. A new office would further expand the already cumbersome Office of the Secretary organization; however, an existing office might lack the bureaucratic leverage or resources to "get things done" as effectively. In either case, the use of a Committee or Task Force by the Director of the office would not be precluded.

If an independent "Citizen Advisory Committee" or "Citizen Task Force" were designated, consisting of citizens not affiliated with HEW, serving at the request of the Secretary or Under Secretary, a quite appropriate external perspective would be brought to bear upon Department-citizen involvement. In particular, such a group could reinforce external pressures on the Department to continue to find opportunities for reform. However, within the Executive Branch the difficulties of organizing and implementing new advisory groups have be-

come quite severe; and the effectiveness of such groups in dealing with the Department from within is often questionable, particularly as relevant determinations are often made far below the Secretarial or Under Secretarial levels.

Option (d) above, that no centralized responsibility be assigned, presumes that the job can best be done by Agencies independently of the Office of the Secretary. On the one hand, it can be argued that opening and maintaining opportunities for involvement is appropriately an integral part of an Agency Head's job, and that cross-Agency differences mandate independence. On the other hand, some feel that a subject of such crucial, long term and visible nature requires Secretarial oversight in more than an ad hoc way. Some coordination—at least as to procedural issues—by an office with perspective broader than an individual Agency, may also be advantageous.

3. The Use of Advisory Committees

The use of Advisory Committees ranges from that of an advisory capacity to actual authority to make grants on behalf of an Agency. Their procedures and functions vary from program to program.

The statutorily mandated State and local advisory committees typically follow the same patterns, although their functions and the selection of members are determined by the State and local agencies.

There is little, if any, research information on what constitutes an effective citizen advisory committee or on what features, more than others, contribute to meaningful and successful participation experience. There are outstanding success stories, and some glaring failures.

In recent years the issues arising out of the use of citizen advisory committees are: their membership and makeup, their functions and roles, their staffing and whether or not they should have some budget control. Perhaps the most penetrating of all the issues is the gnawing question citizen advisory committees frequently ask themselves: "do we make a difference?" Recent studies can be misleading. Some point to the numbers of people involved as an indication of meaningful participation, while others view Federal and State mandated citizen advisory committees whose roles and responsibilities are ambiguous as ineffective.

Given all of these differences, most appear to agree on the following:

- a. Where the responsible State or Federal agency has been receptive to external involvement, a citizen advisory committee can be a successful experience for the citizens and the officials.
- b. There is confusion, even where guidelines are explicit, as to the role and authority of citizen advisory committees.
- c. Specifically, more often than not, other techniques have not been actively sought or used by which citizens can participate.

To assist in the Department's work there are almost 4,000 citizens serving on its own 338 advisory committees. The Citizen Participation Task Force suggests that consideration be given to new and creative uses of these citizen members of HEW citizen advisory committees. The Task Force suggests that close review and continuing assessment be made of the procedures used for recommending members to serve on these advisory committees, with particular regard to obtaining broad and diverse community views.

The Task Force suggests some opportunities for new and creative uses of HEW advisory committees' members:

- a. HEW advisory committee members should be used to reflect their broad interests in more general issues. The Department should use (across Agency lines) a variety of diverse and interested individuals who are members of HEW advisory committees to discuss and advise on cross-cutting issues and topics; to review and evaluate proposals submitted to HEW; to provide general advice or reactions to HEW policy issues; to review proposed regulations; and to assist in evaluating Departmental procedures and operations at the request of Department officials.

- b. Regional Directors should have a list of all members serving on HEW advisory committees presently residing within their Region. The Regional Directors should make every effort to use the members, and others, as advisors to gather views on general and cross-cutting issues. Additionally, the Regional Directors should use this same pool of people to assist in community networking, communications, and identifying other community persons.

4. Citizen Assistance and Training

In its work the Citizen Participation Task Force finds that the Department is making a substantial effort to assist citizens in their efforts to participate, and offers these additional suggestions as opportunities for reform:

- a. Appropriate Department funds should be available to reimburse persons and groups who demonstrate a need for financial assistance (to cover travel board and lodging expenses), in order to attend and participate in HEW public hearings. An individual's need for financial assistance should be given equal consideration to that of a person representing an organization. Consideration should be given to providing financial assistance to citizen groups who would otherwise be unable to participate.

- b. The Citizen Participation Task Force suggests that high priority be given to funding proposals which identify new and creative techniques for training citizens, as well as proposals whose goals and objectives will further every opportunity for community self-help projects.

5. HEW Personnel Training

The Citizen Participation Task Force suggests that in-service training and experience for HEW personnel be strength-

ened to include: training in emerging techniques for improving the quality of citizen participation; training in administrative sensitivity to cultural differences and values; experiences in public and community meetings through field visits; information and understanding about the Federal/State role in public service programs; training concerning citizen/government relationships in public institutions. The Citizen Participation Task Force believes these areas are a few examples of the current and emerging issues which will be confronting HEW personnel in carrying out their responsibilities.

In addition, programs and seminars can be developed and focused to heighten administrative awareness on the many and varied techniques for obtaining citizen participation. Some of these techniques include use of citizen advisory committees, ombudspersons, task forces, group interviews, surveying, polling, training, employment of clients, representation on policy-making bodies and many, many others. The roles and responsibilities of administrators and HEW personnel make it essential to increase understanding of these new and emerging techniques for citizen participation and citizen involvement.

The Citizen Participation Task Force suggests the Department hold a conference on citizen participation for its personnel to bring about an increased dialogue on citizen/government relations.

6. Information Dissemination

The Citizen Participation Task Force suggests that there is an immediate need to further increase the numbers of people receiving information about HEW, to improve on the quality of information being distributed, and to design new methods for receiving feedback from persons outside DHEW.

a. The Citizen Participation Task Force suggests that evaluation of and the development of exemplary models for citizen participation in DHEW be developed for use by citizens and their organizations. Literature, written materials, and guides should be widely distributed to inform citizens about opportunities for citizen participation in HEW.

b. The present recipients of the Federal Register should include the U.S. Post Offices, Social Security District Offices, and City/Town Halls.

c. Agency Heads should be encouraged to keep and use current mailing lists on outside contacts, and to share these lists across Agency lines, where appropriate.

IV. CONCLUSION

In closing this Report, it must be said that the entire Citizen Participation Task Force has found its mandate and its work to date to be enormously challenging, and a genuine learning experience. The opportunity to think about the issues surrounding citizen participation in this Department has, in and of itself, been a catalytic one, for the Task Force has asked for and willingly received the counsel, help, and collaboration of many

people both within and outside HEW. For this support, the Task Force expresses its deep appreciation. All of the back-up analyses, papers, and work products of the various sub-work groups of the Task Force are available should anyone wish to see them.

It is the Task Force's firm belief that all efforts to open the Department to a greater degree of citizen participation must continue, thus achieving a more meaningful citizen/government relationship, as well as ultimately more responsive public policy. The alternative to this is to fail to fulfill a basic mandate of our democratic society to provide equal representation, participation, and access for citizens in the decisions of their government.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

MEMORANDUM

JULY 25, 1976.

To: The Under Secretary
Assistant Secretaries
Principal Operating Components
OS Staff Offices
From: The Secretary
Subject: Regulatory Policies

On the basis of recommendations from the Regulations Advisory Group (RAG), comments on those recommendations by the various units of the Department, advice from a discussion of the RAG recommendations at a Departmental meeting and further comments on my "preliminary rulings" memorandum, a comprehensive body of new policies and procedures for the issuance of regulations has been developed. These policies, together with certain additional directions to the staff of the Department and the outline of my future plans in this area are set forth in this memorandum.

These policies and procedures apply to the development and issuance of regulations, whether of Department-wide effect or limited to a particular program administered by a single component within the Department, except where authority to issue a category of regulations has been specifically delegated by the Secretary.

Although existing delegations remain in effect, such delegations will continue only to the extent that it is demonstrated that policy review and direction by the Secretary's Office is unnecessary.

Even in those cases where authority is delegated, the policy set forth in this memorandum should be followed to the extent feasible by officials to whom the delegations have been made.

The procedures set forth in this memorandum will be applied to regulations for which a Notice of Proposed Rule Making (NPRM) was transmitted to the Office of the Secretary prior to the date of this memorandum.

1. Departmental Regulations Policy

a. The development of specific program regulations is the responsibility of the Assistant Secretary or Principal Operating Component (POC) head who is responsible for the administration of that program. The development of crosscutting or Department-wide regulations will be the responsibility of the appropriate Departmental officials.

b. Except where authority to issue regulations without prior approval of the Secretary has been specifically delegated, no Notices of Intent (NOIs), NPRMs or final rules may be issued or published without the signed approval of the Secretary.

c. Any proposed regulation which the appropriate Assistant Secretary, POC head or the Secretary has determined to be of major program significance may not be executed or published even as an NOI or NPRM until a regulation implementation plan has been submitted to the Secretary by the appropriate Assistant Secretary or POC head and the plan has been approved by the Secretary or the Under Secretary.

The regulation implementation plan instructions concerning form and content will also provide for the use of a modified or abbreviated plan for regulations not having a major program significance.

In approving a regulation implementation plan, the Secretary or the Under Secretary may authorize the Assistant Secretary or the POC head to proceed with the development and issuance of an NOI, NPRM or a final rule without obtaining further specific authorization from the Secretary for that regulation or set thereof.

d. An NOI should be published, and the implementation plan should so provide, whenever the Department's consideration of important policy issues will be aided by public comment prior to publication of an NPRM. The NOI mechanism should be liberally used to permit interested outside groups and other members of the public to have an impact on the decisionmaking process at an early stage. Therefore, implementation plans that fail to provide for an NOI will be critically reviewed.

e. In addition to publication in the FEDERAL REGISTER, other channels of communication with the public will be liberally used in order to reach as many interested individuals and organizations as possible.

f. Public hearings to permit the Department to receive information and views on proposed regulations should be held either before or after the publication of NPRMs if it appears that such hearings will aid the Department in developing its position on any of the issues involved. Advance notice of any such hearings will be published either as part of an NOI or separately.

g. Each NOI and NPRM shall set forth the major issues to be addressed in the development of the regulation and the major alternatives that the Department is considering to resolve those issues. If there is more than one Assistant Secretary or POC head having a direct jurisdictional interest in a particular regulation and if any of them have submitted to the Secretary different views concerning the major issues, these views should be stated in the NOI or NPRM along with the source of the views.

h. In the spirit of openness, a draft regulation may be disclosed upon request prior to its publication in proposed form. If, however, the availability of the draft has not already been stated in a public notice, such a notice will be published before the disclosure is made. In addition to publication, steps should be taken to make copies of the draft directly available to interested groups and individuals, including the appropriate committees and Members of Congress.

i. Each NOI and NPRM will give the name, position, address and telephone number of a contact person within the Department who will be available to answer inquiries and receive information concerning the proposed regulation.

j. Except as otherwise authorized or required by the Administrative Procedure Act and the rules and regulations of the Department, the comment period provided for in NPRMs will be at least 45 days unless the regulation implementation plan has justified the lesser period of 30 days and the plan has been approved by the Secretary or the Under Secretary.

k. Each NOI and the preamble to each NPRM and final regulation will be written in common everyday English understandable to the general public.

1. Whenever, as a result of public comment or for any other reason, it appears to the appropriate Assistant Secretary or POC head that a major provision in a proposed regulation should be significantly changed before being published as a final rule, the regulation should be carefully reviewed to determine whether the NPRM fairly permitted public comment on the issue embodied in the change. If it further appears that the public did not have a fair opportunity to comment on the matter which is the subject of the change, a new NPRM should be published inviting such comment.

2. Internal Procedures for the Regulation Process

a. The Secretary's Office will develop requirements for the form and content of regulation implementation plans. These requirements will be distributed to the Assistant Secretaries and POC heads for their use in preparing such plans. At a minimum, each plan will be required to include a concise but complete statement of significant issues relating to the proposed regulation and the particular steps and timetable that will be followed.

b. All documents routed to the Secretary on any proposed regulation (including regulation implementation plans, NOIs, NPRMs and final regulations) should be sent through the Executive Secretariat (ES). ES will track the processing of each proposed regulation from the transmittal to the Secretary's Office of a proposed implementation plan until the publication of the final regulation. Each Assistant Secretary and POC head will be responsible for providing current information to ES of each step in the development and processing of the proposed regulation. Further instructions in this regard will be developed and provided by the Secretary's Office.

c. Each Assistant Secretary and POC head should develop a pool of professionally competent and trained regulation draftsmen who will be assigned responsibility to draft NOIs, NPRMs and final regulations on the basis of specifications developed by program staff.

The pool should have sufficient members to meet the regulation drafting needs of the component in an expeditious manner. The membership of the pool should not be restricted to those of any particular professional discipline.

Training and evaluation programs for regulation draftsmen will be developed and implemented by both the Department and the POCs. Training will emphasize writing skills, including clarity of language and organization of the document.

d. In transmitting an NOI, NPRM or final regulation to ES, the Assistant Secretary or POC head making the transmittal should include under separate cover the name of each draftsman who participated in the preparation of the document.

e. Each final regulation sent to the Secretary for approval should be accompanied by a separate written plan for monitoring and reviewing the effect of the regulation after its publication. This plan should state the dates by which the results of the regulation will be reviewed. If the Assistant Secretary or POC head believes that this plan should be made available to the public, by publication in the FEDERAL REGISTER or otherwise, it should be so recommended.

f. Internal clearance procedures will be developed by the Secretary's Office to minimize clearance disputes and to eliminate any redundant processes. Deadlines will be established by which nonconcurrence disputes will be resolved.

g. In those instances where the Secretary or Under Secretary relies upon an informal group of staff members for a briefing on an

NOI, NPRM or final regulation that has been submitted for Secretarial approval, the appropriate Assistant Secretaries or POC heads should be included.

h. A long-range plan for reviewing regulations will be developed by P in consultation with RAG. The plan should include:

Categories or criteria for selecting regulations for reconsideration.

Means for comparing results with intent. Plans for an automatic review system for regulations.

i. A small group of regulations will be selected by the Secretary's Office for review as a pilot project. These regulations will then be assigned to the appropriate Assistant Secretary or POC head for review and, as appropriate, rewrite by specified due dates.

j. If there is inadequate qualified staff within the Office of any Assistant Secretary or POC to accomplish the necessary review of regulations published by that Office, an appropriate detail of personnel from other parts of the Department, or the hiring of, or contracting for, the services of qualified consultants will be arranged.

As indicated in this statement, the development and review of regulations are the primary responsibility of the Assistant Secretaries and POC heads. It is not intended that a central agency be established to add another layer of control on top of an already complicated process. However, both the Secretary and the Under Secretary, in order to discharge their duties described in this document, need staff assistance which will be provided through a Special Assistant to the Secretary for Regulatory Reform. The Special Assistant will also be the presiding officer of the Regulatory Advisory Group.

A review of these policies and procedures is planned within the next year. At that time changes will be made if desirable.

[FR Doc.76-33263 Filed 11-9-76;8:52 am]

federal register

WEDNESDAY, NOVEMBER 10, 1976



PART VII:

OFFICE OF MANAGEMENT AND BUDGET



BUDGET RESCISSION AND DEFERRALS

NOTICES

OFFICE OF MANAGEMENT AND BUDGET

BUDGET RESCISSION AND DEFERRALS

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I am withdrawing one previously proposed rescission and reporting three new deferrals. In addition, I am reporting revisions to two deferrals previously transmitted.

The withdrawal is for the highway crossing federal projects program of the Federal Highway Administration. The three new deferrals, totaling \$980.8 million affect programs of the Departments of Defense, Health, Education, and Welfare, and the Treasury. The revised deferrals are for programs in the Department of Health, Education, and Welfare and reflect routine increases in the amounts previously deferred.

The details of the rescission withdrawal and each deferral are contained in the attached reports.

Gerald R. Ford

THE WHITE HOUSE, November 5, 1976.

CONTENTS OF SPECIAL MESSAGE
(in thousands of dollars)

<u>Rescis- sion #</u>	<u>Item</u>	<u>Budget Authority</u>
	Transportation:	
	Federal Highway Administration	
R77-4A	Highway crossing federal projects.....	---
	Defer- ral #	
	Defense-Military:	
	Procurement	
D77-34	Shipbuilding and conversion, Navy.....	929,250
	Health, Education, and Welfare:	
	Office of Education	
D77-14A	Higher education.....	303,862
	Social Security Administration	
D77-15A	Limitation on construction.....	18,673
	Special Institutions	
D77-35	Howard University.....	500
	Treasury:	
	Office of the Secretary	
	Loans to the District of Columbia	
D77-36	for capital outlay.....	51,002
	Subtotal, deferrals.....	1,303,287
	Total, rescissions and deferrals.....	1,303,287

SUMMARY OF SPECIAL MESSAGES
FOR FY 77

(Amounts in thousands of dollars)

	<u>Rescissions</u>	<u>Deferrals</u>
Fourth special message:		
New Items.....	---	980,752
Changes to amounts previously submitted.....	<u>-35,000</u>	<u>273,561</u>
Effect of the fourth special message.....	-35,000	1,254,313
Previous special messages.....	<u>134,100</u>	<u>761,697</u>
Total amount proposed in special messages.....	99,100	2,016,010
	(in 4 rescission proposals)	(in 36 deferrals)

NOTE: All amounts listed represent budget authority except for \$123,731,858 consisting of two general revenue sharing deferrals (of outlays only).

R77-4A

SUPPLEMENTARY REPORT

Report Pursuant to Sec. 1014(c) of P.L. 93-344

This report updates Rescission No. R77-4 transmitted to the Congress on September 22, 1976, and printed as House Document 94-620.

The requested rescission of \$35,000,000 for the Highway crossing federal projects of the Federal Highway Administration is hereby withdrawn. The funds were released to the Federal Highway Administration on October 1, 1976.

Deferral No: D77- 34

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Defense	New budget authority (P.L. <u>94-419</u>)	\$ <u>6,195,000,000</u>
Bureau	Other budgetary resources	<u>2,736,777,747</u>
Appropriation title & symbol See Coverage section below	Total budgetary resources	<u>8,931,777,747</u>
	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	<u>929,250,000</u>
OMB identification code: <u>17-1611-0-1-051 1/</u>	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation	
<input checked="" type="checkbox"/> Multiple-year (see Coverage section) (expiration date)	<input type="checkbox"/> Contract authority	
<input type="checkbox"/> No-year	<input type="checkbox"/> Other _____	

Coverage

Shipbuilding and Conversion, Navy	177/11611	\$929,250,000
Shipbuilding and Conversion, Navy	176/01611	-0-
Shipbuilding and Conversion, Navy	175/91611	-0-
Shipbuilding and Conversion, Navy	174/81611	-0-
Shipbuilding and Conversion, Navy	173/71611	-0-

Justification

These funds are proposed for deferral through September 30, 1977. Due to the long period of time required to build ships, the Congress makes appropriations available for five-year periods.

Since these funds are, by law, made available beyond the current year, they are not fully apportioned in the current year. The unapportioned amount is withheld and released as the program develops and additional funds are required. The amounts deferred are to be released contingent upon the development of program needs that arise in current and future years.

Prudent financial management requires the deferral of those funds that could not be used effectively during the current year even if made available for obligation.

The above multi-year appropriations are currently being deferred under provisions of the Antideficiency Act (31 U.S.C. 665), which authorize the establishment of reserves for contingencies.

1/ The OMB identification code that appeared in the FY 1977 budget was 07-15-1611-0-1-051.

D77-34

-2-

Estimated Effects

Deferral of \$929.2 million will have no program or budgetary impact, since these funds could not be obligated even if made available. Rather, the deferral of these multi-year funds assures availability of funds in future years to meet continuing program requirements.

Outlay Effects

There is no outlay effect resulting from this deferral since the funds could not be used if made available.

D77-14A

SUPPLEMENTARY REPORT

Report Pursuant to Sec. 1014(c) of P.L. 93-344

This report updates Deferral No. D77-14 transmitted to Congress on October 1, 1976, and printed as House Document No. 94-650.

This revised deferral report for the Higher education program in the Office of Education reflects an increase of \$272,160,000 in the amount deferred through September 30, 1977, from \$31,701,606 to \$303,861,606.

The amount being deferred will not be needed to cover FY 1977 requirements and could not be legally obligated during this period. The increase in the amount being deferred primarily results from the additional appropriation made in P.L. 94-439 for FY 1977 which cannot be used during the current fiscal year due to a reduction in the estimate of liabilities for interest subsidies on outstanding loans.

Deferral No: D77-14A

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Department of Health, Education, & Welfare	New budget authority (P.L. <u>94-439</u>)	\$ <u>325,000,000*</u>
Bureau Office of Education	Other budgetary resources	<u>317,109,606*</u>
Appropriation title & symbol Higher Education 75X0293	Total budgetary resources	<u>642,109,606*</u>
	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	<u>303,861,606*</u>
OMB identification code; 75-0293-0-1-502 <u>1/</u>	/Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act	
Continuing program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____	

	Total budgetary resources available*	Amount to be deferred*
1. Construction:		
(a) Subsidized construction loan:		
--Annual interest grants.....	\$48,643,000	\$23,643,000
(b) Graduate facilities grants.....	3,533,938	3,533,938
2. Subsidized Insured Student Loan:		
(a) Interest payments and special allowance (subsidies).....	587,658,000	275,160,000
(b) Reserve fund advances (loans)..	<u>2,274,668</u>	<u>1,524,668</u>
Total.....	642,109,606	303,861,606

1/ The OMB identification code that appeared in the FY 1977 budget was 09-40-0293-0-1-502.

* Revised from previous report.

D77-14A

Construction:

- *A. Annual interest grants--A change in method of accounting for subsidized construction loans caused a substantial amount of prior year appropriations to be deobligated during fiscal year 1974. Obligations are not recorded now until payments are due. Funds on hand are more than adequate to cover anticipated obligations on annual interest grant contracts signed in prior years and no new starts are authorized or planned. The unobligated funds will be needed in the future, however, to pay continuation costs on loans the Federal government has agreed to subsidize. It is anticipated that only \$25,000,000 of the \$48,643,000 available will be needed during 1977.
- B. Graduate facilities--The amount shown as deferred resulted from adjustments of prior year obligations. As projects are completed the estimated obligations are adjusted to reflect actual experience. No new funds have been appropriated for this program since 1969, and there are no program plans to utilize the funds. It is possible that such funds may be needed to cover obligation adjustments.

*Subsidized insured loans:

- A. Interest and special allowance--These funds are used to make mandatory payments for subsidies on loans made by private lenders to students under the Guaranteed student loan program. The amount deferred reflects a reduction in the estimates of liabilities for interest subsidies on outstanding loans to be incurred during this period. These decreases result from a lower dollar volume of loans subject to interest and special allowances and a lower special allowance rate paid on outstanding loans. The deferred amount does not represent a restriction on obligation, but consists of an estimate of funds that cannot be legally obligated during 1977. It is estimated that no more than \$312,498,000 of the \$587,658,000 available will be needed during 1977.
- B. Reserve fund advances--These funds were appropriated in 1969 to make advances to guarantee agencies that could not meet reserve requirements. It is estimated that no more than \$750,000 of the \$2,274,668 available will be needed during 1977.

Estimated Effects

This action has no program effect, since it only reflects an estimate that the funds cannot be legally obligated during 1977. It does not reflect a program constraint.

Outlay Effect

There is no outlay effect of this deferral because the funds could not be used if made available.

* Revised from previous report.

D77-15A

SUPPLEMENTARY REPORT

Report Pursuant to Section 1014(c) of P.L. 93-344

This report revises Deferral No. D77-15 transmitted to the Congress on October 1, 1976, and printed as House Document No. 94-650.

This revision reflects a net increase of \$1,401,214 in the amount to be deferred through September 30, 1977, for the Social Security Administration's Limitation on construction account. The increase is primarily due to a revised estimate of purchase contract costs for the program service centers which is lower than the amount appropriated for FY 1977. In addition, several construction projects in the district office expansion program are obligating funds at a slower rate than previously anticipated. The total amount deferred is now \$18,673,092.

Deferral No: D 77-15 A

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency <u>Department of Health, Education, and Welfare</u>	New budget authority (P.L. <u>94-439</u>)	\$ <u>14,400,000*</u>
Bureau <u>Social Security Administration</u>	Other budgetary resources	<u>26,529,905*</u>
Appropriation title & symbol <u>Limitation on Construction</u> <u>75X8705</u>	Total budgetary resources	<u>40,929,905*</u>
	Amount to be deferred:	
	Part of year	\$ _____
	Entire year	<u>18,673,092*</u>
OMB identification code: <u>20-8006-0-7-601 1/ *</u>	Legal authority (in addition to sec. 1013): <input checked="" type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other _____	
Type of account or fund: <input type="checkbox"/> Annual	Type of budget authority: <input checked="" type="checkbox"/> Appropriation	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other _____	

JUSTIFICATION

Funds provided under the Limitation on Construction of the Social Security Administration (SSA) remain available until expended in recognition of the long lead time between the provision of funds and their use in carrying out authorized construction projects. A total of \$18,673,092 is to be deferred for FY 1977. The amounts involved fall into three general categories, discussed below.

*Headquarters Projects

Ground has been broken for the two new buildings, one in downtown Baltimore and one at the Woodlawn complex. These buildings are being constructed under the purchase contract method but purchase contract funds do not cover project management. Normally such costs are paid from GSA's Federal Buildings Fund and recovered by GSA through the Standard Level User Charge (SLUC). Since the Congress has indicated that SSA should pay only actual costs--no SLUC, SSA is billed directly for these charges. The \$1,615,722 deferred will be used to pay these costs through completion of the buildings in 1979.

1/ The OMB identification code that appeared in the FY 1977 budget was 09-60-8006-0-7-601.
* Revised from previous report.

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*District Office Projects

A balance of \$22,209,249 remains from funds appropriated since 1965 for district office construction projects. The district office construction program has been in a period of reevaluation since the offices constructed with funds appropriated prior to 1968 were started. New starts in the construction of district office buildings have lagged in recent years because the new Supplemental Income program changed the workload patterns and introduced a greater element of uncertainty in planning for district office space needs. Further, due to rapid expansion of field facilities and to meet the immediate needs of the SSI program, SSA had to acquire space quickly through lease rather than the longer time frame required for construction.

SSA now plans to resume the district office construction program, starting 10 new offices in FY 1977 and 5 more in FY 1978. In addition, major expansion is planned for 26 district offices to enable them to adequately meet future needs. The \$15,872,408 deferred will be used to complete the funding of these projects.

*Program Service Centers

After the 1977 purchase contract payment for the three program service centers, a balance of \$1,184,962 will remain from funds appropriated for this purpose. This amount will be deferred in FY 77 and will be used to make future purchase contract payments.

ESTIMATED EFFECTS

The funds intended to be apportioned for obligation in FY 1977 will permit SSA to carry out its authorized construction program in an orderly manner. No currently planned construction would be delayed by this deferral. SSA's construction program will be carried out in a timely fashion to provide well-designed, adequate facilities.

OUTLAY EFFECT

There is no outlay effect of this deferral because the funds could not be used if made available.

Deferral No: D77-35

DEFERRAL OF BUDGET AUTHORITY
Report Pursuant to Section 1013 of P.L. 93-344

Agency Dept. of Health, Education, and Welfare	New budget authority	\$ 2,500,000
Bureau Office of the Secretary	(P.L. 94-439)	
Special Institutions	Other budgetary resources	11,787,707
Appropriation title & symbol	Total budgetary resources	14,287,707
Howard University - 75X0106 (Construction)	Amount to be deferred:	
	Part of year	\$ 500,000
	Entire year	--
OMB identification code: 75-0106-0-1-502 1/	Legal authority (in addition to sec. 1013):	
	<input type="checkbox"/> Antideficiency Act	
Grant program <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Other	
Type of account or fund:	Type of budget authority:	
<input type="checkbox"/> Annual	<input checked="" type="checkbox"/> Appropriation	
<input type="checkbox"/> Multiple-year _____ (expiration date)	<input type="checkbox"/> Contract authority	
<input checked="" type="checkbox"/> No-year	<input type="checkbox"/> Other	

Justification

The amount of \$2,500,000 was appropriated for Howard University (construction) in the Departments of Labor and Health, Education and Welfare Appropriation Act, 1977 (P.L. 94-439), including \$500,000 earmarked by Congress for the development of Howard University's property at Beltsville, Maryland. In the Conference Report (No. 94-1384 dated August 3, 1976), the Secretary of Health, Education and Welfare was directed to submit a report to the Congress describing the proposed use of the site. The \$500,000 appropriated for this project is being deferred until Congress evaluates this report.

Estimated Effect

This action will temporarily delay the construction of an animal center which would be used for research purposes for the College of Medicine, Howard University Hospital and other major components of the Health Science area.

Outlay Effect

There is no outlay effect of this deferral action since the funds are expected to be released for obligation in FY 77 after the requested report is evaluated by the Congress.

1/ The OMB identification code that appeared in the FY 77 budget was 09-70-0106-0-1-502.

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Outlay Effects

There is no outlay effect of this deferral because the funds are not expected to be needed this fiscal year.

[FR Doc.76-33225 Filed 11-8-76;2:30 pm]